

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MARTIN  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES  
(NPMHU/USPS-T6-1-26)  
(February 2, 2012)**

The United States Postal Service hereby provides its response to the above-listed interrogatories of the National Postal Mail Handlers Union dated January 19, 2012. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

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**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MARTIN  
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**NPMHU/USPS-T6-1.** Did you or the USPS create, design, or map a comprehensive proposed transportation network that indicates the origin, destination, distance, annual frequency, carrier (i.e., PVS or HCR) and time of occurrence for each surface transportation route that will either provide mail to or receive mail from any gaining facility in the USPS' MNPR Network?

**RESPONSE:**

No.

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**NPMHU/USPS-T6-2.** If your answer to Interrogatory NPMHU/ USPS - T6-1 is no, identify any category of information described in NPMHU/ USPS - T6-1 that the Postal Service's model presently lacks.

**RESPONSE:**

To the extent that the response pertains to the "transportation network" discussed in NPMHU/USPS-T6-1, the question cannot be answered as stated since no such model exists. To the extent that the response pertains to the network model discussed by witness Emily Rosenberg (USPS-T-3) in her direct testimony, the Postal Service's model lacks all of the categories described in NPMHU/USPS-T6-1.

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**NPMHU/USPS-T6-3.** Referring to the subset of routes you analyzed in part II.B of your testimony USPS-T-6 (and identified on the spreadsheet entitled “Plant to Post Office” of LR-N2012-1/11):

- (a) Confirm that this subset does not constitute a statistically random sampling, or a representative sampling, of the full set of routes that will be altered, eliminated, or added as a result of the USPS’ MNPR
- (b) Confirm that you selected the subset of routes you analyzed in part II.B of your testimony USPS-T-6 (and identified on the spreadsheet entitled “Plant to Post Office,” LR-N2012-1/11) solely on the basis that these AMP studies were the first completed;
- (c) Confirm that there was no reason related to your analysis that these particular AMP studies were the first completed.
- (d) If any of (a) through (c) is not confirmed, please explain why these statements are not accurate.

**RESPONSE:**

- (a) Confirmed.
- (b) Confirmed.
- (c) Confirmed.
- (d) N/A

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**NPMHU/USPS-T6-4.** Does the list of routes contained in the spreadsheet "Plant to Plant Trips" (LR-N2012-1/11) represent the entirety of USPS ground transportation routes for transfer of mail between USPS mail processing facilities?

**RESPONSE:**

No.

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**NPMHU/USPS-T6-5.** For each plant-to-plant surface transportation trip that will form part of the MNPR Network, please identify the trip and provide the same categories of information for that trip as are provided for the trips listed in the spreadsheet "Plant to Plant Trips," LR-N2012-1/11. Please provide the USPS' best estimate of the "Trip Miles" and "Utilization" for each such trip.

**RESPONSE:**

This interrogatory presupposes that each surface transportation trip that will form part of the MNPR Network has been identified by the Postal Service. As I stated in my testimony, the Postal Service is conducting Area Mail Processing ("AMP") consolidation reviews on selected mail processing facilities. See USPS-T-6, at 5. Each AMP review will include an evaluation of the available transportation between the gaining and losing facility, how such transportation should be adjusted, and any consequent increases or decreases in transportation costs. Until postal management issues a final decision to consolidate a specific facility, any study that has been generated as part of a consolidation review is subject to review, reevaluation, modification, and possibly withdrawal. This includes any of the fourteen studies that were included in the analysis supporting my testimony in this docket. Because the Postal Service has not made final decisions with respect to the vast majority of AMP reviews associated with this docket, and because the design of the transportation network (including the plant-to-plant portion of the network) is dependent upon the outcome of such final decisions, it not possible to provide a response to this interrogatory that is both complete and final at this time.

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**RESPONSE TO NPMHU/USPS-T6-5 (CONT.):**

The Postal Service anticipates that all final decisions concerning the AMP reviews associated with this docket will be issued by postal management in mid to late February, 2012. I intend to provide a full and complete response to this interrogatory (NPMHU/USPS-T6-5) within a reasonable period of time after the announcement of those final decisions.

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**NPMHU/USPS-T6-6.** In designing transportation routes for the MNPR Network, did you or the USPS account for delays:

- a) caused by traffic, including but not limited to regular traffic delays occurring in municipal areas around rush hour (i.e., 7-10AM and 4-7PM)?
- b) caused by regularly occurring weather patterns, such as snow in New England and certain Western states?
- c) If the answer to either (a) or (b), please explain how these factors were accounted for, and provide supporting documentation for these calculations.

### **RESPONSE:**

Please be advised that the design of the rationalized transportation network is not yet complete. Please see my response to NPMHU/USPS-T6-5.

- (a) With respect to new trips, yes. With respect to existing trips that will remain in the rationalized network, no.
- (b) With respect to new trips, yes. With respect to existing trips that will remain in the rationalized network, no.
- (c) Operating conditions that could prevent a trip from reaching its destination on time are considered when planning new trips. These conditions include time of day (to account for traffic congestion), road closures, detours and required stops (e.g., for tolls and weigh stations).

Consideration of these conditions is essential to determining the amount of time that should be allotted for timely completion of a trip.

Transportation planners utilize common software applications, such as PC Miller, to obtain estimated distance between origins and destinations, the practical line of travel, posted speed limits and total trip time. Trip time operating parameters can be adjusted to lower the operating speed of a trip to account for any local operating conditions that are identified by local



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**RESPONSE TO NPMHU/USPS-T6-6 (CONT.):**

officials. Additionally, the Postal Service may elect to survey a route to evaluate such conditions and adjust the trip time in order to minimize or avoid delays. Supporting documentation is not retained in the ordinary course of business.

Existing trips that will remain in the rationalized network are assumed to incorporate a realistic amount of time to account for the operating conditions discussed above.

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**NPMHU/USPS-T6-7.** In calculating transportation time and revised service standards in the proposed MNPR Network, did you or the USPS account for delays:

- a) caused by traffic, including but not limited to regular traffic delays occurring in municipal areas around rush hour (i.e., 7-10AM and 4-7PM)?
- b) caused by regularly occurring weather patterns, such as snow in New England and certain Western states?
- c) If the answer to either (a) or (b), please explain how these factors were accounted for, and provide supporting documentation for these calculations.

**RESPONSE:**

- (a) With respect to transportation time, yes. With respect to the revised service standards, no.
- (b) With respect to transportation time, yes. With respect to the revised service standards, no.
- (c) With respect to transportation time, please see my response to NPMHU/USPS-T6-6. With respect to the revised service standards, I understand that these factors were not considered.

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**NPMHU/USPS-T6-8.** With respect to the “intermediate location[s] or hub[s]” (USPS-T-3, at 8) or any other kind of transportation hubs or centers, if any, that will be required to support the MNPR transportation network, identify:

- (a) The estimated number of such hubs that will be required;
- (b) The location of each such hub;
- (c) The estimated number and size of the PVS or HCR vehicles that would load and unload mail at each such hub; and
- (d) Whether any of the required hub locations already exist within the USPS network and, if so, identify the location, the number of docking ports, total square footage of dock space, the number of 53’ trucks that can be docked at any one time, and the number of access roads to the facility’s docking space.

**RESPONSE:**

- (a) The estimated number of intermediate locations or hubs that will be required to support the rationalized network will depend on the outcome of the AMP review process. Because that process has not been completed with respect to the vast majority of consolidation reviews, I cannot provide a response to this interrogatory part.
- (b) Please see the response to part (a).
- (c) Please see the response to part (a).
- (d) Please refer to my response to NPMHU/USPS-T6-10. Because it is unclear where such hubs will be established, the location, the number of docking ports, total square footage of dock space, the number of 53’ trucks that can be docked at any one time, and the number of access roads to the facility’s docking space for those hubs is unknown.  
  
Additionally, the number of access roads to a facility’s docking space is not information that is within the Postal Service’s domain. The Postal Service submits that such information is widely available to the public via

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**RESPONSE TO NPMHU/USPS-T6-8 (CONT.):**

web mapping service applications and technologies provided by third parties (e.g., Google).

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**NPMHU/USPS-T6-9.** Confirm that some portion of the processing facilities slated to be consolidated under the MNPR might need to remain open, at least in part, as an intermediate docking location or mail transfer hub. If not confirmed, please explain why this statement is incorrect.

**RESPONSE:**

Not confirmed. The question suggests that some portions of all processing facilities that are candidates for consolidation under MNPR might need to remain open, at least in part, as an intermediate docking location or mail transfer hub.

The Postal Service anticipates that only some portions of some processing facilities that are candidates for consolidation under MNPR might need to remain open. Additionally, those facilities that remain open may only remain open temporarily.

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**NPMHU/USPS-T6-10.** Describe all plans for construction, purchases, leasing, alterations, and/or remodeling that would be required for the establishment of the required intermediate location or hubs, including by identifying any costs associated with any such construction, purchase, leasing, alteration, and/or remodeling.

**RESPONSE:**

The Postal Service has no plans for construction, purchases, leasing, alterations, and/or remodeling in connection with the establishment of any required intermediate location or hubs. Additionally, because the Postal Service anticipates that any required hub locations will be at an existing facility, such as a deactivated USPS facility or at a supplier's facility, no such costs are anticipated.

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**NPMHU/USPS-T6-11.** Please confirm that your estimate of a 24.71% reduction in Plant-to-Plant transportation, as stated on page 9 of your testimony, is based on a projected reduction in the number of Plant-to-Plant trips, and not based on a reduction in the number of operating miles or some other figure. If not confirmed, please explain what this figure is based upon.

**RESPONSE:**

Confirmed.

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**NPMHU/USPS-T6-12.** Please confirm that your estimate of a 13.68% reduction in Plant-to-Post-Office transportation, as stated on page 12 of your testimony, is based on a projected reduction in the number of miles travelled, and is not a projection of a reduction in cubic-foot miles of transportation (as that phrase is used by witness Bradley) or some other calculation. If not confirmed, please explain what this figure is based upon.

**RESPONSE:**

Confirmed.



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**NPMHU/USPS-T6-13.** On page 11 of your testimony, you state that “[b]y reducing the number of plant-to-Post Office links within a defined geographic area and collapsing two service areas into one, the Postal Service will be able to reduce the number of operating miles within that area. Please confirm that this conclusion is based solely on your analysis on a subset of routes in the network (see USPS-LR-N2012-1/11). If not confirmed, please explain why this statement is incorrect.

**RESPONSE:**

Not confirmed. The statement is based on my conceptual understanding of the transportation network and transportation operations, as informed by my professional experience.

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**NPMHU/USPS-T6-14.** Please provide:

- (a) the average utilization of PVS and [HCR] trucks in transporting USPS mail within the contiguous United States;
- (b) the average estimated utilization by PVS and [HCR] trucks in transporting USPS mail within the contiguous United States in the proposed MNPR network.

**RESPONSE:**

- (a) The interrogatory cannot be answered as it is currently stated because it does not specify the time period for which the average utilization is sought. Additionally, the interrogatory does not specify whether it is seeking data that is trip specific or whether it is seeking an aggregate figure that represents average utilization over all trips. Finally, the question does not specify whether the averages for PVS and HCR should be aggregated or disaggregated.
- (b) The average estimated utilization by PVS and HCR trucks in transporting USPS mail within the contiguous United States in the proposed MNPR network is unknown because the transportation network has not been modeled. Please see my response to NPMHU/USPS-T6-2. Additionally, because the design of the transportation network is dependent upon the outcome of the AMP process, the average estimated utilization by PVS and HCR trucks in transporting USPS mail within the contiguous United States in the proposed MNPR network cannot be determined at this time.

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**NPMHU/USPS-T6-15.** Referring to Library Exhibit N2012-1/11, please update the sheet showing plant-to-plant routes with the planned routes and estimated utilization percentages under the MNPR, assuming all pending AMP studies are approved.

**RESPONSE:**

Please see my response to NPMHU/USPS-T6-5. The Postal Service anticipates that all final decisions concerning the AMP reviews associated with this docket will be issued by postal management in mid to late February, 2012. I intend to provide a full and complete response to this interrogatory (NPMHU/USPS-T6-15) within a reasonable period of time after the announcement of those final decisions.

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**NPMHU/USPS-T6-16.** Please describe the limits, if any, that you placed on the percentage planned utilization for surface transportation routes – both Plant-to-Plant routes, as well as Plant-to-Post-Office routes – in designing or modeling the “rationalized” transportation network that serves as the basis for the trip- and mileage-reductions identified in USPS-LR-N2012-11/1.

**RESPONSE:**

No such limits were used in the analysis underlying USPS-LR-N2012-1/11. With respect to plant-to-plant utilization, the Postal Service has established a capacity utilization target of 70 percent. Please see my response to PR/USPS-T6-4.

Utilization was not considered in my analysis of Plant-to-Post-Office routes.

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**NPMHU/USPS-T6-17.** Please describe how the rationalized transportation network that you designed and that serves as the basis for the trip- and mileage-reductions identified in USPS-LR-N2012-11/1 accounts for fluctuations in the amount of mail transported over a given surface route and the potential for such fluctuations to result in amounts that exceed the load capacity of the given transportation vehicle.

**RESPONSE:**

Please be advised that the design of the rationalized transportation network is not yet complete. Please see my response to NPMHU/USPS-T6-5. To estimate the capacity that is required for a particular trip, my office uses data collected from a normal volume period, usually over a fourteen (14) consecutive day-period in April or October. Please see my response to PR/USPS-T6-4 (a). However, in situations where mail volume exceeds the capacity limit of a trip, mail may be transported by utilizing capacity on other available trips, by re-routing trips if there is time to achieve on-time arrival at destination, or by scheduling an extra trip move the mail. Additionally, repeated use of extra trips is monitored over a period of time, generally one month, to evaluate patterns of use and mail volume. This information enables the Postal Service to determine whether an additional trip should be added to the route on a regular basis in order to accommodate reoccurring and anticipated fluctuations in mail volume. Such additional trips can be tailored to address the specific volume fluctuations (e.g., if the volume on a route typically increases on a particular day of the week or month, the Postal Service can add a trip that only runs on that particular day). Please see my response to PR/USPS-T6-4(b).

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**NPMHU/USPS-T6-18.** For each Gaining Facility in the MNPR Network, and assuming that any pending AMP studies related to that Gaining Facility are approved, provide the number and size of the PVS or HCR vehicles that would daily load and unload mail at that facility according to the MNPR and the time frame for such loading and unloading.

**RESPONSE:**

Please see my response to NPMHU/USPS-T6-5. The Postal Service anticipates that all final decisions concerning the AMP reviews associated with this docket will be issued by postal management in mid to late February, 2012. I intend to provide a full and complete response to this interrogatory (NPMHU/USPS-T6-18) within a reasonable period of time after the announcement of those final decisions.

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**NPMHU/USPS-T6-19.** Referring to Library Reference N2012-1/11 associated with your testimony:

- (a) Please explain why approximately 65 routes have “no data” associated with the utilization column.
- (b) Please explain how certain routes can have average utilization of 100%, or close to 100% utilization, and how utilization of 100% or close to 100% can accommodate fluctuations in mail volume.
- (c) Please explain how certain routes can have average utilization of 0%
- (d) Please explain why certain routes have extremely low utilization, including those routes with utilization of under 20%. For instance, is it accurate that 307 times per year, the Postal Service is sending a truck 96 miles from the Mid-Hudson PDC to the Albany PDC with an average utilization of 1%?
- (e) Please explain what steps you or the Postal Service has taken to ensure that the utilization figures in this table, which you state in your response to PR/USPS-T6-4, “reflect an average utilization over a 14 day period in early October 2011” are representative of the average utilization for those routes.

**RESPONSE:**

- (a) Possible reasons why certain trips have “no data” in the “utilization” column include the following: (1) the trip either departs from or arrives at a mailer’s plant where there is no ability to record (scan) transportation data; (2) the trip operates on a holiday only and there was no holiday during the data collection period; (3) the trips is required on an “as needed basis” and was not required to operate during the data collection period; and (4) no data were captured at an origin mail processing plant for trips prior to dispatch.
- (b) Please see my responses to PR/USPS-T6-4 and NPMHU/USPS-T6-17.
- (c) Trips can average 0 percent utilization when there is no volume available for transport. This situation generally occurs when there is an imbalance

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**RESPONSE TO NPMHU/USPS-T6-19 (CONT.):**

- in mail volume. For example, a trip may depart with 100 percent utilization going in one direction but may return with no volume.
- (d) Please see my response to part (c) of this interrogatory. Additionally, there could be a requirement for capacity in only one direction to support the overnight delivery of Express Mail and First-Class Mail volumes. The statement in the second sentence is correct.
- (e) The October data period collected represents a normal-volume month and is based on fourteen (14) consecutive days. This period excludes low-volume periods, such as June through August, and higher-volume periods, such as November through January, which if included, would skew utilization statistics if they were included in the study. Please see my response to NPMHU/USPS-T6-17.



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**NPMHU/USPS-T6-20.** Please refer to page 13 of your testimony, where you state “Although such savings would be mitigated by any increase in transportation cost due to the fact that remaining plants must be connected to more Post Offices in the realigned network, I expect the Postal Service to realize plant-to-Post Office surface transportation cost savings when it rationalizes the processing network.”

(a) Please confirm that the estimated cost savings presented in this docket do not include the mitigations from any increase due to the fact that remaining plants must be connected to more Post Offices. If not confirmed, please identify the testimony and/or library reference that accounts for these increases.

(b) Please state whether an increase in the number of connections between the remaining plants and Post Offices would increase: (i) the number of operating miles in the Plant-to-Post Office network; and/or (ii) the number of miles in the overall network.

**RESPONSE:**

(a) Not confirmed. Please see my response to PR/USPS-T6-6(b).

(b) (i) In some cases, yes.

(ii) No. Please see page 11 of my testimony (USPS-T-6, as revised on January 23, 2012) which explains the basis for the expectation that operating miles will be reduced in a particular service area and, accordingly, in the overall network.

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**NPMHU/USPS-T6-21.** In your response to Public Representative Interrogatory PR/USPS-T6-6, you state that increases in transportation costs “are accounted for in the transportation portion of each AMP study.” For each of the proposed consolidations listed in Library Reference N2012-1/6, please provide any estimates of increases or decreases in transportation costs that the Postal Service has calculated as part of the ongoing AMP process, without regard to whether the AMP study in question has been approved, withdrawn, or is currently under review.

**RESPONSE:**

Please see my response to NPMHU/USPS-T6-5. The Postal Service anticipates that all final decisions concerning the AMP reviews associated with this docket will be issued by postal management in mid to late February, 2012. I intend to provide a full and complete response to this interrogatory (NPMHU/USPS-T6-21) within a reasonable period of time after the announcement of those final decisions. With respect to the fourteen (14) AMP studies that were included in the analysis supporting my testimony, the responsive information is provided in the table on the following page:

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**RESPONSE TO NPMHU/USPS-T6-21 (CONT.):**

**Plant to Post Office - Estimated Transportation Cost**

	<b>Study Site</b>	<b>Gaining Site</b>	<b>Estimate Cost</b>
AMP	1 Grand Island NE PDF	Omaha NE PDC	\$ (130,130)
AMP	2 Eau Claire WI PDF	Saint Paul MN PDC	\$ (411,727)
AMP	3 LaCrosse WI PDF	Saint Paul MN PDC	\$ (321,688)
AMP	4 Rochester MN PDF	Saint Paul MN PDC	\$ (98,686)
AMP	5 Duluth MN PDF	Saint Paul MN PDC	\$ (348,876)
AMP	6 Lafayette LA PDF	Baton Rouge LA PDC	\$ (681,039)
AMP	7 Norfolk NE PDF	Omaha NE PDC	\$ (258,247)
AMP	8 Quincy IL PDF	Columbia MO PDF	\$ (228,395)
AMP	9 Owensboro CSMPC KY	Evansville PDF IN	\$ (65,673)
AMP	10 Campton KY CSMPC	Louisville KY PDC	\$ (204,582)
AMP	11 Bloomington IN MPA	Indianapolis IN PDC	\$ (72,862)
AMP	12 Kalamazoo MI PDC	Grand Rapids MI PDC	\$ (884,180)
AMP	12 South FL PDC	Miami FL PDC	\$ (229,893)
AMP	14 Lancaster PA PDC	Harrisburg PA PDC	\$ (101,554)
		<b>Decrease</b>	<b>\$ (4,037,532)</b>

## **RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MARTIN TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES**

**NPMHU/USPS-T6-22.** Referring to Library Reference N2012-1/27:

- a) Please confirm that these tables include both Plant-to-Plant miles and Plant-to-Post-Office miles; and if not confirmed please explain how this statement is wrong.
- b) For those files that contain blanks or number signs (i.e., ###) in the line listing annual savings by facility, please provide the numbers.
- c) Please explain why there is so much variability in the current cost per mile (e.g., in routes associated with Duluth, MN, the cost per mile varies from \$.89 per mile to \$3.44 per mile).
- d) Please explain how you determined the proposed cost per mile, and your basis for determining that the proposed cost was reasonable, given the variability discussed above.
- e) Please confirm that the number of trips in both the gaining and losing facilities does not change from the current trips to the proposed trips; if not confirmed, please identify specific AMP studies contained in N2012-1/27 that do show changes in the number of trips.
- f) Will the number of trips in the proposed MNPR be the same as the number of trips in the current network? If not, please provide the expected change.

### **RESPONSE:**

- (a) Confirmed.
- (b) The only instance in which an AMP file did not contain annual savings by facility is the Quincy IL. HCR Annual Savings (Gaining Facility) should read (\$1,096,622).
- (c) Variability in costs per mile can be due to the distance of a route. Shorter distance routes tend to have a higher cost per mile because total operating cost is spread over few operating miles. The cost per mile for the Duluth, MN AMP is an outlier because the route includes a very low rate for transporting a passenger vehicle between origin and destination. Because the length of the trip exceeds the legal driving limit, drivers utilize the passenger vehicle to return to the point of origin. In other words, drivers perform service in one direction by truck and then use the

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**RESPONSE TO NPMHU/USPS-T6-22 (CONT.):**

- passenger vehicle to travel back to the origin. The passenger vehicle is not involved in the pick up or delivery of mail volume. The cost per mile negotiated is very low for this segment of the route and uncharacteristic for plant to post office transportation routes.
- (d) The cost per mile is determined by the final price negotiated by the Postal Service with the supplier for the required service. Because the cost per mile is the end product of a competitive bidding process and arms-length negotiations between the supplier and the Postal Service, the final, agreed-upon cost per mile is assumed to be reasonable.
- (e) Not confirmed. All AMP studies contained in USPS-LR-N2012-1/27 show changes in the number of trips.
- (f) No. The expected change cannot be provided at this time. Please see my response to NPMHU/USPS-T6-5.

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**NPMHU/USPS-T6-23.** In response to PR/USPS-T6-12(e), you stated that your office estimates “proposed [transportation] costs which are often lower than the proposed costs developed by the field.” Please explain why the cost estimates developed by your office are often lower than the cost estimates developed by the field.

**RESPONSE:**

In conducting the review of AMP proposals, my office performs a more comprehensive review of the transportation analysis performed by the initiating office. In so doing, my office can identify additional opportunities to increase efficiency and reduce costs, such as through the realignment of transportation or the consolidation of trips that may have been overlooked by the initiating office. My office also evaluates the accuracy of AMP submissions and corrects any errors that have overstated (or in some cases, understated) the proposed cost.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MARTIN  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES**

**NPMHU/USPS-T6-24.** In response to PR/USPS-T6-12, you stated that you will update your testimony in this docket “[w]hen all of the AMP studies relevant to this docket have been completed.” Please update your testimony, including by providing updated estimates of costs savings and updated estimates of reductions or increases in operating miles, with all of the AMP studies completed as of February 15, 2012.

**RESPONSE:**

Please see my response to NPMHU/USPS-T6-5.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MARTIN  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES**

**NPMHU/USPS-T6-25.** Please explain how you or the Postal Service accounted for dock capacity at individual facilities when developing the MPNR network. In your answer, please describe any plans for increasing dock capacity at any facility, and please provide any figures for current dock capacity utilization at facilities that will remain in the proposed MPNR network.

**RESPONSE:**

Dock capacity at individual facilities is not being considered in the development of the rationalized network. Additionally, I am unaware of any plans for increasing dock capacity at any facility. The revised service standards proposed in this docket will expand the arrival and departure profile thereby enabling the Postal Service to reduce the number of trips in the transportation network. This reduction should have suppressive effect on dock capacity utilization. Please see my response to NPMHU/USPS-T6-8.



**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MARTIN  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES**

**NPMHU/USPS-T6-26.** Your testimony indicates that, in the MPNR network, an increased percentage of mail will be carried by HCR rather than PVS.

- (a) What guarantees do the HCR contractors give the USPS that they will be able to transport the mail within the time frames established by the Postal Service and handle increased mail volume associated with volume variability?
- (b) Please provide a sample HCR contract.

**RESPONSE:**

(a-b) An HCR contract is provided as an attachment to this response.

Transportation service requirements are set forth in section B.3 of the contract.

Effective 01/01/2012

## Section B. Statement of Work and Specifications

HCR 54130, GREEN BAY P&amp;DC,WI - TOWNSEND,WI

## B.1 SCHEDULE, FREQUENCY, AND SERVICE REQUIREMENTS

## B.1.1 Schedule

A 3 Q7	A 1 Q7	PART TRIP FREQUENCY	TIME ZONE	NASS CODE	A 2 K7	A 4 Q7
0500	0430	LOAD/UNLOAD/CASE			1905	
0525	0515	Lv GREEN BAY P&DC,WI	CT Ar	541	1855	0650
0545	--	Ar PULASKI,WI	CT Lv	54162	1835	--
0555	--	Lv PULASKI,WI	CT Ar	54162	1830	--
0605	--	Ar KRAKOW,WI	CT Lv	54137	1820	0615
--	--	Lv KRAKOW,WI	CT Ar	54137	1815	--
--	0555	Ar GILLETT,WI	CT Lv	54124	1755	--
--	0605	Lv GILLETT,WI	CT Ar	54124	1750	--
--	0620	Ar SURING,WI	CT Lv	54174	1735	--
--	0630	Lv SURING,WI	CT Ar	54174	1730	--
--	0650	Ar MOUNTAIN,WI	CT Lv	54149	1705	--
--	0655	Lv MOUNTAIN,WI	CT Ar	54149	1700	--
--	0710	Ar LAKEWOOD,WI	CT Lv	54138	1645	--
--	0715	Lv LAKEWOOD,WI	CT Ar	54138	1640	--
--	0725	Ar TOWNSEND,WI	CT Lv	54175	1630	--
0615	0730	LOAD/UNLOAD/CASE			1625	
SB1155	SB1155	VEHICLE REQMT			SB1155	SB1155
23.9	73.8	MILEAGE			73.7	21.5

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A	PART			A	A
5	TRIP	TIME	NASS	6	8
G7	FREQUENCY	ZONE	CODE	G7	CC
0630	LOAD/UNLOAD/CASE				0920
0730	Lv GREEN BAY P&DC, WI	CT Ar	541	1150	0915
0750	Ar PULASKI, WI	CT Lv	54162	--	--
0800	Lv PULASKI, WI	CT Ar	54162	--	--
0810	Ar KRAKOW, WI	CT Lv	54137	--	--
0815	Lv KRAKOW, WI	CT Ar	54137	--	--
0835	Ar GILLETT, WI	CT Lv	54124	--	--
0845	Lv GILLETT, WI	CT Ar	54124	--	--
0900	Ar SURING, WI	CT Lv	54174	--	--
0910	Lv SURING, WI	CT Ar	54174	--	--
0930	Ar MOUNTAIN, WI	CT Lv	54149	--	--
0940	Lv MOUNTAIN, WI	CT Ar	54149	--	--
0950	Ar LAKEWOOD, WI	CT Lv	54138	--	--
0955	Lv LAKEWOOD, WI	CT Ar	54138	--	--
1000	Ar TOWNSEND, WI	CT Lv	54175	1005	0730
1005	LOAD/UNLOAD/CASE				
SB1155	VEHICLE REQMT			SB1155	SB1155
73.7	MILEAGE			72.0	72.0

## B.1.2 Frequency Explanations

FREQUENCY IDENTIFICATION	ANNUAL TRIPS
CC Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day and Veterans Day	4
G7 Sundays and holidays except Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day and Veterans Day	58.18
K7 Daily except Sundays and holidays	303.07
Q7 Daily except Sundays and holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day and Veterans Day	307.07

## B.1.3 Service Requirements

\*\*\*\*\*METRO COLLECTION NOTE \*\*\*\*\*

METRO COLLECTION PICK UP AT ALL OFFICES ON TRIP 2 ON SATURDAYS  
AND ON TRIPS 1 AND 3 ON NON-WIDELY OBSERVED HOLIDAYS.

\*1. Estimated annual schedule miles: 67,704.0  
\*2. Estimated annual schedule hours: 2,610.0

\* The distance stated in this contract is believed to be substantially

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correct. The pay will neither be increased nor decreased if the actual distance is greater or less provided the points supplied are correctly stated.

\*\* The estimated annual hours are approximately the number of hours needed to operate the trips as they are shown in the schedule. Also included in the total estimated annual hours are the number of hours needed for dock sortation, loading and unloading.

\*\*\* See the contract Terms and Conditions for further information regarding miles and hours.

#### B.1.4 Work Requirements

The supplier may be required to load and unload as outlined below:

a. Approximate daily average loading and unloading times at the headout and terminus office (or applicable office(s)) are as follows:

##### DOCK SORTATION AND LOADING:

Trip	Office	START	END
1	GREEN BAY P&DC, WI	04:30	05:15
2	PULASKI, WI	18:30	18:35
2	KRAKOW, WI	18:15	18:20
2	GILLETT, WI	17:50	17:55
2	SURING, WI	17:30	17:35
2	MOUNTAIN, WI	17:00	17:05
2	LAKEWOOD, WI	16:40	16:45
2	TOWNSEND, WI	16:25	16:30
3	GREEN BAY P&DC, WI	05:00	05:25
5	GREEN BAY P&DC, WI	06:30	07:30

##### UNLOADING:

Trip	Office	START	END
1	GILLETT, WI	05:55	06:05
1	SURING, WI	06:20	06:30
1	MOUNTAIN, WI	06:50	06:55
1	LAKEWOOD, WI	07:10	07:15
1	TOWNSEND, WI	07:25	07:30
2	GREEN BAY P&DC, WI	18:55	19:05
3	PULASKI, WI	05:45	05:55
3	KRAKOW, WI	06:05	06:15
5	PULASKI, WI	07:50	08:00
5	KRAKOW, WI	08:10	08:15
5	GILLETT, WI	08:35	08:45
5	SURING, WI	09:00	09:10
5	MOUNTAIN, WI	09:30	09:40
5	LAKEWOOD, WI	09:50	09:55
5	TOWNSEND, WI	10:00	10:05
8	GREEN BAY P&DC, WI	09:15	09:20

b. Sufficient time for loading and unloading at intermediate office(s) is

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included in the en route schedule.

- c. At offices where postal personnel are on duty, supplier will inquire prior to departure to determine if all mail has been tendered.
- d. Supplier will be required to spot loads where applicable upon arrival at destinations as directed by a postal official. Supplier will also be required to pick up outbound loads at location(s) directed by a postal official prior to departure.
- e. In order to maintain schedule, postal personnel may assist with loading and unloading.
- f. The Administrative Official for this route is located at GREEN BAY P&DC WI.
- g. The supplier will be required to report in sufficient time to load and depart on schedule.
- h. The supplier will be required to load, transport, and unload all classes of mail at the headout, en route, and destinating offices.
- i. The supplier may be assigned lobby/vestibule keys and/or a scanning device to be used in the delivery and collection of mail along the contract route. These are accountable items that must be signed out prior to the start of the designated trip(s) and turned in at the end of the trip(s). Loss, negligent damage, or failure to turn in accountable item(s) as scheduled may result in assessment of damages or termination of the contract.

## B.2 VEHICLE REQUIREMENTS AND SPECIFICATIONS

- a. The number of vehicles identified below is the minimum vehicle requirement. The supplier will also be required to have readily available sufficient stand-by equipment of the type(s) listed below to perform extra trips, to permit vehicle maintenance, and to prevent delays in emergencies such as mechanical failures and poor weather conditions.
- b. All equipment shall be presented for inspection at the location and time indicated by the contracting officer or authorized representative. Equipment used on the contract must at all times be maintained in a condition that reflects favorably on the Postal Service and is acceptable to the contracting officer or authorized representative for the full term of the contract and any subsequent renewals that might be negotiated.
- c. The supplier will be required to provide as a minimum the vehicle(s) indicated below:

TYPE OF VEHICLE	CUBES	NUMBER
Van	1155	2

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## SPECIFIC VEHICLE REQUIREMENTS

## 1. Van (1155 cubes)

## CARGO COMPARTMENT MEASUREMENTS

INTERIOR	EXTERIOR
Minimum Length 22	Maximum Length 36
Minimum Width 7.5	Maximum Width 8.5
Minimum Height 7	Maximum Height 13.5
Minimum usable load space 1155 cubic feet	

Bed Height (from ground): 48 inch minimum to 52 inch maximum

- a. The minimum acceptable gross vehicle weight rating (GVW/GCW) for the vehicle(s) listed above must equal or exceed the combined weight of the following:

1. The curb weight of the vehicle;
2. An operating crew's weight of 600 pounds; and
3. A payload weight of 12,500 pounds.

SPECIAL NOTE: The vehicle curb weight includes the weight of the vehicle with all installed attachments, accessories, equipment and a full complement of fuel, lubricants and coolant.

- b. Each vehicle must have a power lift tailgate with minimum dimensions of 42 inches deep and 72 inches wide. Minimum lift capacity must be rated at 2500 pounds from ground level.
- c. Interior side and front walls of the cargo compartment must be fully covered with 1/4" plywood, floor to ceiling. Installation of a durable flat sheet scuff liner (metal, fiberglass, etc.) is also required and must be bonded over the plywood without any protruding fasteners. Two bands of scuff lining must be applied to the full length of each interior side wall and the front wall; one band 26 inches wide positioned from the floor to a height of 26 inches and a second band 6 inches wide positioned immediately above the upper retainer rail or, in the absence of an upper rail, 67 inches on center above the floor.

The Postal Service intends to transport mail loaded on pallets, in wheeled containers, metal and non-metal containers, in sacks and loose loaded. The cargo compartment must be constructed so that it is protected from damage during loading and unloading by either manual or mechanized methods.

- d. The cargo compartment must be equipped with a load restraint system and door saver as indicated in Specification B and Specification D. The cargo compartment must also be equipped with 2 metal E-type shoring bar(s) and 8 ratchet type restraining strap(s).

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- e. Rear door must be full roll-up type equipped with security locking device, safety chain, pull down strap and fork lift plates as indicated in Specification E.
- f. Each cargo compartment must have interior lights which are adequate to provide sufficient light for safe loading and unloading and operate off the electrical system of the vehicle.
- g. Each vehicle must, at a minimum, be licensed to carry the combined vehicle curb weight, crew weight and payload weight specified above. The suspension and tires on vehicle(s) must be compatible with the gross axle weight rating.
- h. The supplier shall equip each vehicle or supply each driver with a cellular phone to enable the Postal Service or the driver to initiate two-way communications. The supplier/driver must observe all federal/state/local laws regarding the use of cellular communications. The vehicle shall not be in motion during communications. The supplier/driver will be required to notify the postal authority at the appropriate service point on the route if a delay in excess of fifteen (15) minutes is anticipated. (The Postal Service assumes no liability for phone piracy experienced by the supplier or unauthorized use of the cellular phone.)

### B.3 GENERAL REQUIREMENTS AND PROHIBITIONS

The supplier shall provide transportation services as specified in this Statement of Work and Specifications.

#### a. Sanctity of the Mail

The supplier shall carry all mail tendered for transportation under this contract, whatever may be its size and weight, with certainty, celerity, and security, in accordance with the operating schedule and between the points fixed in the schedule, as modified from time to time pursuant to this contract. The supplier, when so directed by the contracting officer, shall (i) load and unload mail, (ii) make the exchange of mail, and (iii) perform all minor administrative services as may be necessary to track and trace the mail.

#### b. Extra Trips

Supplier will be required to perform additional trips of service as outlined below:

The supplier must proceed to perform any extra trips ordered by the contracting officer or authorized representative. The supplier must provide such service departing from the office having the requirement for service within (4) hours after notification by the contracting officer or authorized representative. Extra round trips of service shall be performed within the total elapsed time (total hours) reflected in the regular trip schedule.

#### c. Protection of the Mail

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The supplier shall protect the mail from loss, depredation, or damage. The mail shall be transported in an enclosed, water-proof compartment, equipped with secure locking devices, which shall be kept locked at all times except when access thereto is required for performance of service under this contract. The supplier shall await completion of all delayed mail connections except when otherwise directed by the contracting officer or authorized representative, or the supplier's vehicle is carrying passengers on a fixed schedule. If the supplier is authorized to carry passengers, the mail must be carried in a compartment separate from the passengers so that they cannot have access to the mail. The supplier shall not transport hitchhikers in vehicles while the vehicles are being used in the performance of service on this contract.

d. Appearance of Equipment

The supplier shall at all times maintain its transportation equipment used under this contract so as to present a creditable appearance and comply with applicable Postal Service regulations. The supplier may use a sign on its vehicle(s) that states "United States Mail," but only when vehicle(s) are being used in the performance of service under this contract. Vehicle(s) (including both tractors and trailers) which are painted red, white and blue must have inscribed on their doors in black letters at least one inch high the following words: "United States Mail Contractor." Trailers so painted must also bear the same inscription on the front of the trailer in black letters two inches high and placed sufficiently high to be visible above the tractor unit.

e. Alcohol and/or Drugs

The supplier and his/her employees must not perform contract operations while under the influence of alcohol, narcotics, or any other substance that tends to impair judgement; nor will they consume any of the foregoing while engaged in contract operations.

f. Weapons and Explosives

No person while on Postal property, or while performing services under a Postal contract, shall carry firearms, other dangerous or deadly weapons, or explosives, either openly or concealed.

g. Carriage of Letters

The supplier shall not carry letters outside of the mails.

h. Denial of Access to the Mails

The supplier shall deny access to the mail to any employees or personnel when required to do so by the contracting officer.

i. Suitability of Contract Personnel

In conducting operations under this contract, the supplier shall not



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employ any individual who is: lacking sufficient ability to perform properly the required duties; not a reliable and trustworthy person of good moral character; barred by law or Postal Service regulations from performing such duties.

Suppliers and their employees are required to maintain a neat, clean and professional appearance reflecting a positive image while engaged in contract operations.

Driver uniforms are not required under this contract. Suppliers who require their drivers to wear uniforms may include the cost only in the general overhead line.

The Postal Service has a Zero Tolerance Policy regarding workplace violence. Suppliers and their employees must conduct themselves in a professional and business-like manner, since poor conduct has a direct reflection on the Postal Service. Zero Tolerance means that we will not ignore any incident of verbal or physical action on the part of any supplier (or the supplier's employee) who could cause injury to another.

j. Water Vessels

In the event that this is a contract for carriage of mail by a domestic water vessel, the supplier shall serve terminal post offices without regard to distance from the nearest landing, unless the Postal Service has previously assumed such a terminal service, and shall serve all intermediate post offices along the route located not more than one-fourth of a mile from the vessel landing. The supplier, when so directed by the contracting officer, shall (i) load and unload mail, (ii) make the exchange of mail, and (iii) perform all minor administrative services as may be necessary to track and trace the mail. Passengers, freight and other traffic, if authorized by this contract, may be accommodated, but shall not delay the mail or reduce the contracted cubic capacity.

B.4 LIABILITY FOR EQUIPMENT DAMAGE AND REPAIRS

a. Either party's liability for loss of or damage to the equipment of the other party shall be governed by this subparagraph a as follows:

- (1) The Postal Service shall be liable to the supplier for loss of or damage, exclusive of fair wear and tear, to equipment of the supplier only when such loss or damage is caused by a negligent act or omission of the Postal Service, or of its employees, agents, suppliers, or subcontractors.
- (2) The supplier shall be liable to the Postal Service without regard to fault or negligence, for the loss of or damage, exclusive of fair wear and tear, to equipment furnished by the Postal Service while the equipment is in the custody and control of the supplier. For the purposes of this subparagraph a, equipment furnished by the Postal Service includes equipment owned or leased by the Postal Service, and equipment of other Postal Service mail transportation suppliers or of their subcontractors.

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- (3) The Postal Service may deduct from any compensation otherwise due the supplier a sum or sums equal to the amount(s) for which the supplier is liable to the Postal Service under subparagraph a.(2).
- b. Either party's liability for ordinary repairs to or maintenance of the equipment of the other party shall be governed by this subparagraph b as follows:
- (1) The supplier, and not the Postal Service, shall be liable for the cost of all repairs to or maintenance of equipment furnished by the supplier under this contract (including any equipment leased by the supplier from the Postal Service).
  - (2) In the event that any equipment used by the supplier breaks down en route between postal facilities, the supplier shall obtain repairs needed to put the equipment back in service. This obligation extends to all equipment used by the supplier under this contract.
  - (3) If, pursuant to subparagraph b.(2) above, the supplier repairs equipment owned or leased by the Postal Service, or equipment of other Postal Service mail transportation suppliers or their subcontractors, the Postal Service shall, upon submission of a properly documented claim to the contracting officer, reimburse the supplier for the cost of such repairs. Such reimbursement shall include additional costs, if any, associated with delays in securing repairs, when such delays are beyond the control and without the fault or negligence of the supplier.

#### B.5 SCREENING/IDENTIFICATION REQUIREMENTS

At contract award, and thereafter, the supplier must identify to the administrative official all individuals who require access to facilities, the mails, or need authority to drive. Before contract employees are allowed to perform under the contract, the supplier must submit to the administrative official two original Forms 2025, Contract Personnel Questionnaire, one original Form 2181-C, Authorization and Release, Background Investigation, two original Forms FD 258, Fingerprint Card, and two full face, 1 1/4" x 1 1/4", color photographs. If the contract employee has driving responsibilities, a current driving record must also be submitted to the administrative official. A 5-year driving record must be provided except in those states in which only 3-year driving records are issued. The driving record must be dated no more than 30 days prior to the date submitted to the administrative official. If fingerprints are determined to be unclassifiable, the contract employee must submit two additional fingerprint cards within 30 days of notification. The results of the Postal Service investigation will determine if the contract employee is granted a non-sensitive clearance. Non-sensitive clearances can be denied or revoked. Clearance will not be granted if the Postal Service is unable to obtain results from a criminal history inquiry through local agencies where the individual has resided and has been employed during the 5-year period prior to submission of the application forms. Suppliers and contract employees must report arrests or convictions occurring during the contract term to the administrative official.

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Pending clearance, a temporary photo identification badge, PS Form 5139, Non Postal Service Temporary Employee, will be issued to the contract employee. Upon final clearance, a photo identification badge, PS Form 5140, Non Postal Service Contractor Employee, will be issued. The contract employee must display the identification badge on their outer garment when on postal property. The supplier is responsible for the recovery and return of identification badges to the Postal Service when an employee is separated.

Postal regulations require that suppliers and their employees who drive be rescreened once every four years, or by direction of the administrative official. All forms specified above, with the exception of Form FD 258, must be submitted to the administrative official. Form FD 258 may be required if so advised by the administrative official.

Form 2081, Contractor Employee Assignment Notification, may be used in lieu of the above screening requirements for emergency service not exceeding 15 days. The supplier must complete and submit Form 2081 and a full-face, 1 1/4" x 1 1/4" color photograph for each contract employee to the administrative official. The administrative official will issue Form 5139. If the emergency exceeds 15 days, the screening procedures defined above must be performed for all emergency contract employees. The supplier is responsible for the recovery and return of Form 5139 to the Postal Service at the end of the emergency service.

Security clearances are specific to an individual, not a contract. If a driver, who is separated, goes to work for another supplier within one year of the date of separation, the current supplier must provide two original Forms 2025, the current motor vehicle record and two full-face color photos to the administrative official. Postal Management Instruction, Screening Highway Transportation Contract Employees, provides detailed instructions on screening contract employees.

#### B.6 SAFETY REQUIREMENTS

The supplier shall conduct its operations under this contract in full compliance with all local, state, and federal regulations.

##### a. Inspection of Equipment

Drivers shall satisfy themselves that equipment is ready for use and the following parts and accessories are in good working order:

- (i) Servicing and parking brakes
- (ii) Steering mechanism
- (iii) Lighting devices and reflectors
- (iv) Tires
- (v) Horn
- (vi) Windshield wipers
- (vii) Rear vision mirrors

The vehicle must be equipped to address emergencies (e.g. weather conditions, fire, accident, etc.) based on locality where the service is being provided.

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b. Safe Loading and Security of Equipment

Drivers responsible for loading or assisting in the loading of their vehicles must ensure that loads are properly distributed and secured and that doors, tailgates, and other equipment are fastened properly to permit safe operations.

c. Hazardous Conditions

Extreme caution, even to the extent of stopping operation if necessary, shall be exercised by drivers when hazardous road or weather conditions prevail.

B.7 INSURANCE REQUIREMENTS

If this contract requires the operation of a motor vehicle, the supplier shall establish and maintain continuously in effect a policy or policies of liability insurance for all motor vehicles to be used under this contract providing, at a minimum, the following coverage:

a. Vehicles with a gross vehicle weight rating of under 10,000 pounds:

- (1) Limit for bodily injuries to or death of one person: \$100,000 and
- (2) Limit for bodily injuries to or death of all persons in any one accident: \$500,000 and
- (3) Limit for loss or damage in any one accident to property of others (other than mail): \$100,000.

In the alternative to (1), (2) and (3) above, a combined single limit (CSL) for bodily injury to, or death of persons and loss or damage of property per single accident: \$600,000.

b. Vehicles with a gross vehicle weight rating of 10,000 pounds or more, require a minimum of \$750,000 Combined Single Limit (CSL).

Coverage must meet all minimum insurance requirements imposed by federal, state and local law or regulation when such requirements exceed the minimum coverage required by the Postal Service as stated above.

The supplier shall furnish to the contracting officer, prior to commencement of service under this contract, and thereafter as the contracting officer may require, proof that the supplier has all required insurance, plus a copy of the applicable policy or policies.

B.8 ADDITIONAL INFORMATION

- a. The contract rate must include all elements of cost the supplier expects to incur in performing the service. The supplier must include the total anticipated costs (based on the total regular hours) for vacation time or other fringe benefits in the contract rate. Adjustments to include these costs in the second or subsequent years of the contract will not be allowed.

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Included in the cost comprising the total contract rate are those associated with the payment for vacation time and other fringe benefits as outlined in the attached Department of Labor Wage Determination(s) listed below:

Route Part A: 1977-0196 (Rev.-53) (1D) and dated 06/15/2010

- b. The supplier, depending on actual route operations, may be required to pay round trip compensation to drivers even though the contract requires one-way trips. In this, and all other cases, it is the SUPPLIER'S RESPONSIBILITY to verify DOL requirements.
- c. The following requirements apply to vehicle(s) used on this contract whose Gross Vehicle Weight Rating (GVWR) is 10,001 pounds or greater:

In order for the contract to be renewed, a supplier may not be rated unsatisfactory on the Department of Transportation (DOT) Unsatisfactory Safety Rating Report.

The supplier must provide a DOT number. If the supplier does not have a DOT number, a copy of the application form (FORM MCS 150, Motor Carrier Identification Report) submitted to the DOT must be provided to the contracting officer. Immediately upon receipt, but not more than six months from the date of the application, the DOT number must be provided to the contracting officer.

Failure to provide the DOT number within six months of application may result in termination of the contract for default.

If a supplier receives a DOT unsatisfactory rating during the term of the contract, the unsatisfactory rating must be resolved within six months of that rating. Failure to resolve the unsatisfactory rating may result in the termination of the contract for default.

During the term of the contract the Postal Service, its designated representative, or the DOT may randomly inspect vehicles used in the performance of service on this contract.

If the equipment fails to meet DOT safety requirements, the equipment must be placed "Out of Service" at the expense of the supplier and suitable replacement equipment must be provided.

Failure by the supplier to meet DOT safety standards on equipment may result in the termination of this contract for default.

During the term of the contract, the Postal Service may require the supplier to attend up to three safety seminars sponsored by the Postal Service and/or the DOT, at no additional charge to the Postal Service.

The supplier will be required to participate in the USPS fuel management program and will be reimbursed for fuel costs at the established program rates in effect at the time. This contract is not subject to economic adjustments of any type. Contracts in excess of two years are entitled to SCR adjustments. Negotiated service changes are applicable to this contract. This contract may be

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terminated by either party upon 60 days written notice. When the USPS or the supplier exercises its termination rights, the supplier nor the Postal Service is entitled to or liable for indemnity or damages for any termination under this contract and Liquidated Damages (Section "e" under Clause B-67) is not applicable to this contract.

Section C. Delivery or Performance

PHYSICAL LOCATION OF POINTS SERVED

KRAKOW  
US POSTAL SERVICE  
MAIN ST  
KRAKOW WI 54137-9998  
920-899-3691

TOWNSEND  
US POSTAL SERVICE  
17912 FRONT ST  
TOWNSEND WI 54175-9998  
715-276-6857

GREEN BAY P&DC  
US POSTAL SERVICE  
300 PACKERLAND DR  
GREEN BAY WI 54303-9996  
920-498-3961

LAKEWOOD  
US POSTAL SERVICE  
15283 HWY 32  
LAKEWOOD WI 54138-9998  
715-276-7667

MOUNTAIN  
US POSTAL SERVICE  
13953 HWY 36 & 64  
MOUNTAIN WI 54149-9998  
715-276-7301

SURING  
US POSTAL SERVICE  
W MAIN ST  
SURING WI 54174-9998  
920-842-2556

PULASKI  
US POSTAL SERVICE  
306 S AUGUSTINE ST

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PULASKI WI 54162-9998  
920-822-5666

GILLETT  
US POSTAL SERVICE  
205 E MAIN ST  
GILLETT WI 54124-9998  
920-855-2812